



Signed and Filed: February 6, 2020

Dennis Montali

DENNIS MONTALI
U.S. Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA

In re:) Bankruptcy Case
PG&E CORPORATION,) No. 19-30088-DM
- and -) Chapter 11
PACIFIC GAS AND ELECTRIC COMPANY,) Jointly Administered
Debtors.) Date: February 4, 2020
Time: 10:00 AM
Place: Courtroom 17
450 Golden Gate Ave.
16th Floor
San Francisco, CA
☐ Affects PG&E Corporation
☐ Affects Pacific Gas and Electric Company
☒ Affects both Debtors
* All papers shall be filed in the Lead Case, No. 19-30088 (DM).

INTERLOCUTORY ORDER REGARDING POSTPETITION INTEREST

On December 30, 2019, the court issued a Memorandum Decision Regarding Postpetition Interest (Dkt. No. 5226). For reasons stated on p. 17 of the memorandum, the court deferred issuing an appealable order at that time. Since then, the disputed and somewhat related issue described by all parties as the Make-Whole issue has been tentatively resolved without a decision by the court. For that reason, the court believes an

1 order on the postpetition interest issue is appropriate at this
2 time.

3 Parties adverse to the Debtors on the postpetition interest
4 issue have disagreed on what the court should do now. One
5 group, the Ad Hoc Committee of Holders of Trade Claims, wants a
6 certification that the court's decision and ensuing order is
7 final under Fed. R. Civ. P. 54(b), incorporated via Fed. R.
8 Bank. P 7054 and a direct certification of such an order or an
9 interlocutory order to the court of appeals under 28 U.S.C. §
10 158(d)(2). The other group, the Ad Hoc Committee of Senior
11 Unsecured Noteholders, wants the court to defer any action until
12 it confirms Debtors' Plan of Reorganization under 11 U.S.C §
13 1141, thus making the underlying decision on postpetition
14 interest final for all purposes.

15 The court has considered the arguments of both sides, and
16 the somewhat neutral position of the Debtors at a hearing on
17 February 4, 2020. Under the circumstances, the court decides
18 not to adopt either sides' position and to leave the question of
19 dealing with an interlocutory order for another court if there
20 is an appeal.

21 Accordingly, and as an interlocutory order, the court
22 concludes that the Debtors are correct, that *In re Cardelucci*,
23 285 F.3d 1231 (9th Cir. 2002) controls and that the
24 Federal Interest Rate applies to the postpetition treatment of
25 unsecured creditors under any Chapter 11 Plan of Reorganization
26 proposed by Debtors.

27 ****END OF INTERLOCUTORY ORDER****